



MINUTES

Medical Assistance Projections and Assessment Council

April 23, 2007

MEMBERS PRESENT:

Senator Jack Hatch, Co-chairperson
Senator Jeff Angelo
Senator Robert Dvorsky
Senator David Johnson
Senator Amanda Ragan
Senator James Seymour

Representative Ro Foege, Co-chairperson
Representative Elesha Gayman
Representative Dave Heaton
Representative Mark Smith

MEETING IN BRIEF

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Organizational staffing provided
by: Patty Funaro, Senior Legal
Counsel, (515) 281-3040

Minutes prepared by: John
Pollak, Committee Services
Administrator, (515) 281-3818

- I. Procedural Business
- II. Department of Human Services
- III. Broadlawns Medical Center
- IV. University of Iowa Hospitals and Clinics
- V. Materials Filed With the Legislative Services Agency



Medical Assistance Projections and Assessment Council

I. Procedural Business

Convening and Adjournment. The meeting was convened at 8:40 a.m. in Committee Room 102, the Supreme Court Consultation Room, of the Statehouse, and was adjourned at 9:50. The minutes of the October 3, 2006, meeting were approved as distributed.

Election of Co-chairpersons. Temporary Co-chairpersons Hatch and Foege were unanimously elected permanent co-chairpersons on a voice vote.

II. Department of Human Services

A. Overview

Department of Human Services (DHS) Director Kevin Concannon and Mr. Gene Gessow, Medicaid Director, provided an update concerning the IowaCare Program, the Medicaid program at the federal level and in Iowa, and recent Iowa health care reform activities.

B. IowaCare Program

Statistics. Program enrollment as of March 31, 2007, was 17,212 and since the program's inception in July 2005, 36,662 persons have received services. Enrollment is stabilizing; 44 percent have been enrolled for 12 months or more and 72 percent have been enrolled six months or more.

Financing. The estimated shortfall of \$10 million for the University of Iowa Hospitals and Clinics (UIHC) for FY 2006-2007 has been addressed by a supplemental appropriation in H.F. 909 and this legislation continues the supplemental amount for FY 2007-2008.

Reform Projects. The IowaCare initiative includes a number of health care reform projects and a status report was provided for these projects:

- **Nurse Hotline.** The hotline began in October 2006 through a contract with UIHC and nearly 3,000 calls were received from IowaCare members during 2006.
- **Electronic Medical Records.** The Internet-based access to Medicaid claims data tool has been completed and will be available to Medicaid providers beginning in May 2007.
- **Medical Exams and Personal Health Improvement Plans.** These two features will be available to all in regular Medicaid and IowaCare programs by June 2007 and administrative rules changes for these are under way.
- **Health Risk Assessments.** The plan is to provide these assessments to enrollees for both the Medicaid and IowaCare programs. Final federal approval of the plan is anticipated soon.
- **Dental Home.** A coordinated service delivery system called the "I Smile" Program which provides a comprehensive approach involving patients, parents, dental professionals,



and nondental health care professionals (such as physicians) is under way. Initial funding was included in 2007 Iowa Acts, H.F. 909.

- **Smoking Cessation.** Coverage began for the regular Medicaid program on January 1, 2007, and coverage under IowaCare will begin soon.
- **Clinical Advisory Committee.** This committee is comprised of physicians and was recently organized to review Medicaid service utilization.
- **Iowa Medicaid Enterprise Reviews.** Several annual audits and reviews are required.
- **Mental Health Transformation.** The pilot projects operated at the state mental health institutes will begin the federal funding phase-out in FY 2008-2009. As part of the IowaCare agreement with the federal government, Iowa must implement community-based projects. This effort will be coordinated with the recent system restructuring planning.

C. Medicaid Program

Recent initiatives and occurrences include:

- **Habilitation Services Program.** This replaces rehabilitation services provided to more limited populations. It is the first in the nation of this type approved by the federal government.
- **Money Follows the Person.** Iowa was awarded a \$50 million grant from the federal government to develop community-based options for persons with mental retardation residing in institutional care.
- **Transformation and Other Grants.** Iowa did not receive an award for any of the four Medicaid transformation grants applied for or for the Psychiatric Medical Institutions for Children community-based services grant.
- **Annual Identification Cards.** Iowa moved from monthly card issuance to annual issuance.

D. Other Information

In addition to presentation slides, the presenters also distributed IowaCare information showing monthly enrollment by county and an analysis of the effects of the President's budget on Medicaid and other human services programs in Iowa.

III. Broadlawns Medical Center

Overview. Ms. Mikki Steir, Broadlawns Medical Center (BMC) Senior Vice President, Government and External Relations, presented information for BMC as a provider under the IowaCare Program, addressing pending and upcoming issues.



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Pending Issues. Ms. Steir explained that collection of IowaCare premiums continues to be a problem for BMC and patients, and expressed appreciation for legislative efforts to remove the premiums. Ms. Steir suggested that payment of back premiums in order for a patient to reenroll has been a significant barrier and hopes that legislation can also address this barrier.

The federal law requiring verification of citizenship often creates a delay of two to three months for enrolling some patients and is also a barrier to reenrolling patients.

Uncompensated Coverage of Pharmaceuticals and Durable Medical Equipment. From inception of IowaCare in July 2006 through February 2007, BMC has provided uncompensated care amounting to approximately \$1.8 million in pharmaceuticals and \$130,000 in durable medical equipment, totaling nearly \$2 million. Ms. Steir recommends that pharmaceuticals should be covered under IowaCare as a preventive treatment. BMC is evaluating whether the cost of pharmaceuticals can continue to be paid by BMC.

Health Risk Assessments. BMC is waiting on federal approval to provide health risk assessments for Medicaid and IowaCare patients. In the meantime, BMC has been communicating with Des Moines University concerning the assessments.

IV. University of Iowa Hospitals and Clinics

Overview. Dr. Stacey Cyphert, Special Advisor to the President for Health Science Government Relations, UIHC, presented using presentation slides.

Statistics. Although program monthly enrollment appears to have stabilized in the 16,000 range, monthly enrollment in FY 2006-2007 has been consistently higher than the previous year. The number of different patients seen by UIHC to date in FY 2006-2007 exceeds both the previous fiscal year and the last fiscal year in which the State Papers Program operated (the predecessor program to IowaCare operated only at UIHC). He also discussed the most common treatment and diagnoses under the program. In addition, he explained the IowaCare patient transfer process used by UIHC.

Enrollment Status and Subsidy. Dr. Cyphert explained that the IowaCare Program is not an entitlement and, if funding is projected to be insufficient, options to contain costs exist, such as suspending enrollment. He emphasized the importance of the need for the \$10 million supplemental appropriation and identified transportation, the durable medical equipment pilot project, and other ways UIHC subsidizes IowaCare and care for inmates of state institutions. He estimated that UIHC and the Carver College of Medicine will provide approximately \$24.6 million in uncompensated care for IowaCare and state institution patients; the two largest categories are physician services and care for the state institution patients.

V. Materials Filed With the Legislative Services Agency

The following materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the <Additional Information> link on the Committee's Internet web page:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=70>.

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1. Presentation slides from the Department of Human Services.
2. IowaCare information showing monthly enrollment by county, distributed by the Department of Human Services.
3. An analysis of the effects of the President's budget on Medicaid and other human services programs in Iowa, distributed by the Department of Human Services.
4. Presentation slides from Broadlawns Medical Center.
5. Presentation slides from the University of Iowa Hospitals and Clinics.

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